



**County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

425 Shatto Place, Los Angeles, California 90020
(213) 351-5602

PHILIP L. BROWNING
Director

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December 21, 2012

To: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael Antonovich

FROM: Philip L. Browning
Director

A handwritten signature in blue ink, appearing to be "P. Browning", is written over the printed name and title.

NOTICE OF INTENT TO NEGOTIATE A SOLE SOURCE CONTRACT WITH MEXICAN AMERICAN OPPORTUNITY FOUNDATION

This is to notify the Board that the Department of Children and Family Services (DCFS) intends to commence negotiations for a sole source contract with Mexican American Opportunity Foundation (MAOF) within two weeks from the date of this memo, in accordance with the Board Policy Number 5.100. MAOF is a non-profit human services organization that specializes in providing early childhood education and has been successfully managing and operating preschool/child care centers throughout the State of California.

DCFS plans to contract with MAOF for staffing services at the newly formed Child Welcoming Center (CWC) located adjacent to the LAC-USC Medical Hub CAP Center. The newly formed CWC provides children, ages 0 to 12, that are newly detained into protective custody with assessment services in a safe and child-friendly setting while an aggressive search for an appropriate placement takes place.

DCFS developed a Request for Quotation (RFQ) for the CWC staffing services and posted the RFQ on both the Internal Services Department's (ISD) Purchasing and Contract Services website and the Department's web page. The RFQ was also emailed to:

- All organizations on the CEO's list of Child Care Facility Operators,
- CEO's list of Child Care Resource and Referral Agencies,
- 450 individuals on DMH's ICARE email list.

DCFS received a few phone inquiries and four quotations. DCFS completed a Proposition A cost analysis comparing the prices quoted to estimated staffing costs of DCFS recruiting and hiring new staff with the same or similar duties required for CWC staff. This analysis confirmed that it is more cost effective to contract the CWC staffing services.

DCFS requested and received the attached approval from the California Department of Social Services (CDSS) to issue a Procurement by Negotiation (PBN) Sole Source contract with MAOF for one year, with an option to renew for one additional year. During this two-year period, DCFS will develop and complete a Proposition A compliant Request for Proposals (RFP) solicitation, for a four-year contract award.

The above stated reason complies with the "Quick action is required (emergency situation)" category as stipulated in the County's Sole Source Contracting Policy Number 5.100 in the County of Los Angeles, County Code.

DCFS will absorb the costs of these services in FY 2012-13 by generating savings through cost reductions in training, contract services, and other discretionary cost categories in services and supplies.

For FY 2013-14, the total cost will be funded by the State and Federal cost reimbursement at the subvention ration of approximately 68.8% and we are requesting the remaining 31.2% be funded with net County cost.

After this two-week notice period, DCFS will begin negotiations with MAOF and the Department of Health Services to finalize the Statement of Work, the transition plan, and contractor staff clearance protocol and implementation plan. The Department will then submit the contract and Board letter draft through the standard review process and file the Board letter and contract for approval and execution by the Board.

If you have any questions or need additional information, please call me or your staff may contact Aldo Marin, Board Liaison, at (213) 351-5530.

PLB:CMM
EO:DLF:VA

Attachment

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors



WILL LIGHTBOURNE
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



EDMUND G. BROWN JR.
GOVERNOR

December 3, 2012

Mr. Eddie Ota, Section Manager
Contracts Administration
Department of Children and Family Services
County of Los Angeles
425 Shatto Place
Los Angeles, CA 90020

Dear Mr. Ota:

SUBJECT: APPROVAL OF A TWO-YEAR AGREEMENT WITH DEPARTMENT OF CHILDREN AND FAMILY SERVICES' (DCFS) OPTION TO RENEW IN THE SECOND YEAR; APPROVAL OF A REQUEST FOR PROPOSAL (RFP) FOR THREE YEARS WITH ONE ADDITIONAL ONE-YEAR OPTION TO RENEW

The California Department of Social Services (CDSS) hereby acknowledges receipt of your correspondence, dated October 17, 2012, from the DCFS seeking to acquire services by negotiation for a two-year term for the newly formed Child Awaiting Placement (CAP) Center pursuant to the CDSS' Manual of Policies and Procedures (MPP), Management and Office Procedures, Purchase of Services, Regulations 23-650.1.11, 23-650.1.18 and 23-621.15.151. Per the correspondence, the additional one-year period will allow for the development and completion of a RFP to provide the same or similar services. A request for a RFP with a term of five years with two additional one-year options to renew at the election of DCFS was also submitted.

The regulations cited in your letter are provided as follows:

- 621.1 A contract originally obtained by bid may be renewed without rebidding under the following circumstances if the potential for renewal has been included in the IFB or RFP. Contract terms and rebidding are limited as follows:
 - .15 Contracts for periods longer than those stated above shall be allowed only if CDSS approval is obtained prior to the start of the procurement process.
 - .151 Counties shall request extended contract periods in writing, and shall describe the program and cost benefits of a longer contract. Counties shall also describe the level of competition for such contracts in their area.

23-650 PROCUREMENT BY NEGOTIATION

This section contains policies and procedures which shall be observed by counties in procurements by negotiation, as distinguished from formal advertising, and the limitations upon its use.

- .1 Contracts may be negotiated without formal advertising when one or more of the following exists:
 - .11 When a public emergency exists and the urgency is such that time is not available for formal advertising. This should be applied only in emergencies caused by circumstances outside of the county's control and not for delays caused by county inaction.
- .18 Other situations, where unique circumstances necessitate procurement by negotiation, shall require prior CDSS approval and, when necessary, federal agency approval.

Per the letter of request, the CAP Center will serve children 0-10 years of age awaiting placement by the County Emergency Response Command Post with a need for enhanced protective and assessment services. The services to be negotiated were determined as necessary through the collaboration between the Los Angeles County Department of Health Services and DCFS. Further, these services meet the requirement of cost-effectiveness as required by Proposition A with the selection of a particular provider offering the most qualified childcare staff for the most cost effective price (based upon a Request for Quotation).

It appears that DCFS has relied upon MPP Section 23-650.1.11 to enter into an initial agreement with the selected provider through negotiation. The CDSS is not required to approve or deny a determination of a public emergency by the county under the applicable purchasing regulations. However, as to the two-year term, CDSS is required to determine that the longer term complies with MPP Section 621.1.151. The benefits of the extended service period are the continuity of care, the acquisition of a cost effective provider for a second year, and time to develop a RFP. Per your letter, your RFQ was distributed to many different types of providers, with only four providers providing a price quotation. It does not appear that a possible two-year period would be anticompetitive. The CDSS, therefore, approves the request for a term of one year with one additional one-year renewal option.

As to the request to develop an RFP for a five-year contract period in one-year increments, with two additional options years to renew the services, CDSS cannot approve this request. The MPP Section 600-621 allows for service periods of three

Mr. Eddie Ota
Page Three

years when services are conducted through a RFP. For longer terms, the benefits to the program must be weighed against the impact on the competition. The CDSS does not believe the RFQ is indicative of the overall interests of additional providers. It is possible, that some well-qualified potential providers were not aware of the opportunity or that they did not wish to advertise their lowest rate for these services. The potential seven-year term could seriously impact competition for an entirely new program. Therefore, CDSS does not approve the request for the longer term. However, because the CAP Center services are entirely new services, the time necessary to develop the RFP, and the collaboration of the two departments, it appears appropriate to approve a service period of three years, with an additional one-year option to renew. Therefore, CDSS approves a three-year contract period (in one-year increments, if desired) and an additional one-year option period for the new RFP.

The CDSS makes the following additional clarifications and recommendation:

The CDSS was not requested to, and does not make, any determination as to selection of the provider by DCFS.

The CDSS does not through this letter address the requirements of a Live Scan Clearance for the staff or administrators of the provider.

The CDSS recommends contacting County Counsel's Office to determine if the Live Scan Fingerprint Clearance is required by law, or should be required to protect the financial interests of the County.

Should you have any further questions or concerns, I may be reached at (916) 657-3750.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Dougherty", is written over the word "Sincerely,".

BRIAN DOUGHERTY, Chief
Financial Management and Contract Branch